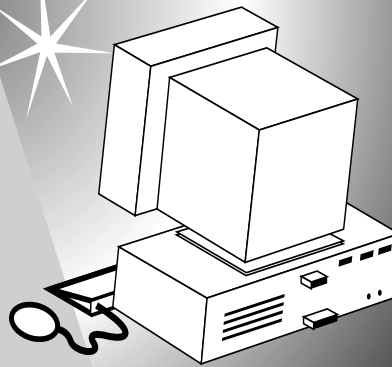


# ELECTRONIC FUNDS TRANSFER

Fast  
Reliable  
Efficient  
Convenient



## AN INTRODUCTION

## Introduction

On January 1, 1993, the State of California began accepting electronic tax payments through the Electronic Funds Transfer (EFT) program. Legislation passed in 1991 established the provisions for remitting taxes by EFT rather than by check and a Payroll Tax Deposit (DE 88) coupon.

## What is EFT?

EFT is an automated system that allows you to transfer funds from your bank account to the state's bank account through the Automated Clearing House (ACH). Taxpayers initiate their payments by telephone or personal computer (PC) with a modem.

## What are the benefits of filing by EFT?

Speed and ease are the primary benefits you will realize through:

- **Reduced Paperwork** – DE 88 coupons are eliminated.
- **Less time spent filing taxes** – There are no checks to write or forms to complete and mail.
- **Better cash flow management** – You know exactly when funds will be debited from your bank account.
- **Payments post quickly** – Payments post to your EDD account within four business days following the initiation of your payment.
- **Electronic payments can never get lost in the mail.**

## Am I required to pay taxes by EFT?

Yes, if your state disability insurance and personal income tax deposits **averaged** \$20,000 or more during the prior state fiscal year (July 1 to June 30). First time mandatory filers receive a notification letter dated, October 31, prior to the year of participation.

## Can I participate on a voluntary basis?

Yes. The overwhelming majority of EFT participants are voluntary and enjoy the advantages of EFT reporting.

## How do I register for EFT?

Register your selected payment method by completing an EFT Authorization Agreement (DE 26) form. You can choose either the ACH debit or the ACH credit method as noted below:

- *ACH Debit*

Those who select the debit method, register a bank account number and a routing transit number that will be used for debiting each time a payment is reported.

There is no cost to the debit filer because the State of California pays for the reporting and the initiation of payments.

- *ACH Credit*

Those who select the credit method, register by indicating ACH credit on form DE 26. No bank account information is required. Before registering, verify your bank has the capability to initiate an ACH credit transaction.

Credit filers may be charged bank set-up and/or per transaction fees. Contact your bank for more information on fees.

## How do I report an EFT payment?

*ACH Debit* - as a debit filer you will report your payment to the state's data collector on or before the due date, by telephone or PC with a modem. Your bank account is debited the next banking day or on a future date.

### Telephone reporting method

Your payment is reported to the data collector using a toll-free telephone number. The data collector will prompt you for payment information and initiate your transaction.

### Personal computer reporting method

Begin by ordering the data collector's software at 1-800-662-6311. The software is a simple communication package with import and export functions only. You key your payment information into the computer, then send it to the data collector for initiation.

*ACH Credit* – as a credit filer you will report your payment information to your bank at least two days before the due date (your bank can give you the proper reporting date for a timely payment). The bank will debit your account and initiate a credit to the state's account, using the Cash Concentration Disbursement plus TXP addenda (CCD+TXP) record format.

### **How will I know my payment was initiated?**

You will receive confirmation of initiation from:

- ACH credit – your bank
- ACH debit – the state's data collector

Your bank statement is another form of confirmation that can be used as proof of payment and for tracking purposes.

### **If I have a problem reporting my payment how do I get help?**

#### *ACH Debit*

- Telephone method – press (\*) three times for an operator
- Personal computer method – for technical assistance call 1-800-662-6311
- Still have questions; call the EFT helpline at (916) 654-9130

#### *ACH Credit*

- Contact your bank program representative or software vendor
- Still have questions; call the EFT helpline at (916) 654-9130

### **How can I obtain EFT information?**

You can request a copy of the EFT Authorization Agreement (DE 26) form and the EFT Information Guide (DE 27) by one of the following methods:

- Contact the EFT helpline at:
  - ☐ Telephone (916) 654-9130
  - ☐ FAX to (916) 654-7441
- Write to:  
Attn: EFT Unit, MIC 15  
Employment Development Department  
PO Box 826880  
Sacramento, CA 94280-0001
- Internet address:  
[www.edd.ca.gov](http://www.edd.ca.gov)
- Contact your local Employment Tax Customer Service Office listed in your local telephone directory.



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Secretary  
HEALTH AND HUMAN SERVICES AGENCY**

**Michael S. Bernick  
Director  
EMPLOYMENT DEVELOPMENT DEPARTMENT**

The California State Employment Development Department (EDD) is a recipient of federal and state funds, is an equal opportunity employer/program, and is in compliance with Section 504 of the Rehabilitation Act and the Americans with Disabilities Act (ADA).

Special requests for alternate formats need to be made by calling (916) 654-9130.